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TAGS: PREL KPAL IS EG

SUBJECT: MUBARAK-BARAK DISCUSSIONS FOCUS ON FINAL STATUS

AND GAZA

REF: TEL AVIV 1984

Classified By: Ambassador Margaret Scobey per 1.4 (b) and (d).

- 11. (C) Presidential Advisor Soliman Awad briefed the Ambassador August 27 on President Mubarak's August 23 discussions with visiting Israeli Defense Minister Ehud Barak. Awad described Barak's visit as "fruitful," focusing on two main issues: Gaza, and Israeli-Palestinian final status discussions, but also touching on Iran and Syria. According to Awad, Barak briefed Mubarak on the Secretary's discussions in Israel. Mubarak also brought Barak up to date on Egyptian efforts to promote Palestinian reconciliation. Awad said that the GOE is inviting the Palestinian factions to Cairo two by two in late August and early September. Awad emphasized that this was a "time consuming effort" designed to buy time for the peace process. The GOE told Barak that Hamas itself remained the stumbling block to reconciliation, and Palestinian Islamic Jihad was showing more "flexibility and understanding."
- 12. (C) According to Awad, Egyptian officials explained to Barak that they see little likely progress on Shalit's release. The GOE thinks Israel's prisoner exchange with Hizballah has led Hamas to believe it can obtain more prisoners in return for Shalit than originally anticipated. Additionally, Awad said that the issue of Shalit's release is complicated by Palestinian demands for opening border crossings.
- 13. (C) Barak discussed Kadima's leadership situation, predicting that Deputy Prime Minister Shaul Mofaz would win the primaries. According to Awad, Mubarak told Barak that the Egyptians believe FM Livni would prevail. Barak mentioned Quartet Special Envoy Blair's upcoming visit to Israel and the Palestinian territories, and indicated that the IDF is prepared to be more flexible to facilitate some of Blair's proposed projects. Barak also thanked Egypt for its increased counter-tunneling and counter-smuggling efforts on the Gaza border, which Barak subsequently noted in public. SCOBEY